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Thailand Chicken Industry

Thailand is one of the largest chicken producers in the world and is the fourth largest exporter of chicken and chicken products. Chicken exports totaled 465,000 tons in 2002 and will be about 550,000 tons in 2003.

The increased demand and strong market prices has spurred some chicken producers to expand production. One major producer announced plans to double their chicken meat production to 200,000 tons a year. Another chicken producer is investing about \$25.1 million to expand its poultry business. The expansion will include raising chicken meat production to 100,000 tons per year compared to the current level of 68,000 tons.

Early this year the industry looked as though it would struggle through 2003 due to a worldwide excess of chicken meat, more stringent sanitary requirements by importing countries, and the volatile Japanese economy. However, exports were strong this year due to diseases in other countries and the strong Euro. Japan had banned poultry from China after an outbreak of avian influenza and the outbreak of SARS in China resulted in reduced travel to China. In Europe, the outbreak of Highly Pathogenic Avian Influenza and a strong Euro led to stronger prices exports of Thai chicken meat to the EU.

Beginning March 2002, all poultry from Thailand had to be tested for residues since nitrofurans had been detected in imported products from Thailand. In response, the Thai government and the broiler processors introduced a stringent program in monitoring food safety control. In July 2003, the testing obligation was reduced to 20 percent and in November 2003 the Standing Committee on the Food Chain and Animal Health agreed on a Commission proposal to lift the remaining 20 percent testing requirement on poultry meat from Thailand.

In 2002 the EU reclassified prepared chicken products in its harmonized custom codes. Thai exports had been able to export uncooked chicken meat products under salted-item category by mixing some salt in their chicken products. Under the new definition salted chicken must contain no less than 2.0 percent of salt and be thoroughly marinated. Instead of paying a low tariff of 15.4 percent for a salted item, the tariff rose to about US\$1,000/ton tariff for unsalted chicken meat.

Both Thailand and Brazil claimed the EU had placed excessive tariffs on import of salted chicken. Brazil requested the World Trade Organization establish a panel to examine the matter. On November 7 the WTO decided to establish an expert panel to hear Brazil's complaint. WTO has 30 days to create a panel of three judges who then will spend six months studying the dispute before presenting a report to the parties involved. Thailand has also launched an initial request for a panel due to a similar complaint against the EU.

Sources: USDA/FAS, EU Press Release, numerous news articles

Thai Poultry Exports, HS 0207 FOB value in US dollars

	Sep 2003	Jan-Sep 2003
Japan	34,945,710	251,907,174
Germany	4,227,615	100,246,368
Republic of Korea	3,869,384	31,712,944
Netherlands	3,338,520	26,335,119
UK	3,332,183	19,181,054
China	1,281,444	9,722,754
Malaysia	2,477,166	9,682,593
Singapore	2,287,836	9,517,401
Hong Kong	907,854	6,976,479
Korea	275,235	3,676,318
Switzerland	503,319	2,496,853
UAE	511,387	1,877,802
Slovakia	482,861	1,233,687
Others	536,246	3,258,842
Grand Total	58,976,760	477,825,386

Thai Prepared Meals of Chicken Exports, HS 1602 FOB value in US dollars

	Sep 2003	Jan-Sep 2003
Japan	29,477,767	195,023,529
United Kingdom	11,452,971	96,711,995
Netherlands	2,699,169	38,287,820
Germany	2,361,276	25,125,685
Singapore	2,157,771	12,952,505
France	152,419	10,760,909
Hong Kong	1,246,103	9,374,480
Ireland	828,259	6,185,414
Korea, Republic of	333,653	4,444,784
Canada	560,625	3,650,857
Belgium	201,097	3,253,898
Others	66,854	1,651,863
Grand Total	51,537,965	407,423,738

Based on exchange rate of 1THB = 0.0250602 USD

Source: Thai Customs Department

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending November 15, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	254	456	15,507	18,310
Frozen	0	0	96	21
Dried	0	0	479	763
Total	254	456	16,082	19,094

U.S. Imports From Canada, in Pounds (000) (Preliminary)

	Week Ending November 15, 2003		Year-To-Date	
	2003	2002/1	2003	2002
Liquid	55	79	5,233	5,698
Frozen	113	66	3,378	3,103
Dried	0	58	1,180	4,706
Total	168	203	9,791	13,507

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending November 15, 2003		Year-To-Date	
	2003	2002 /1	2003	2002
Jumbo	0	50	437	1,440
Extra Large	767	1,740	30,270	43,717
Large	5,107	3,360	120,882	132,550
Medium	1,550	1,228	59,042	45,971
Ungraded	3,600	4,500	170,238	317,645
Misc	0	0	14,642	14,017
Total	11,024	10,878	395,511	555,340

Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

21-NOV-2003				
CHICKEN				
PRICES (Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES (Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	22.00	13.50-14.00	101,200	-
WTD AVERAGE	22.00	13.67		
15-20%				
RANGE	19.00	12.00-17.00	978,400	612,000
WTD AVERAGE	19.00	14.96		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 15-Nov-03

(PRELIMINARY)

Late data from Canada for week ending 8-Nov is reported as last week.

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	1,126	1,656	2,782
LAST WEEK	1,258	1,473	2,731
SAME WEEK YR AGO	1,441	1,523	2,964
TO-DATE/2003	66,094	64,749	130,843
TO-DATE/2002	80,237	65,362	145,599

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
HEAD	0	0	0
LAST WEEK	171	0	171
SAME WEEK YR AGO	226	11	237
TO-DATE/2003	10,166	141	10,307
TO-DATE/2002	13,983	279	14,262

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
HEAD	1,126	1,656	2,782
LAST WEEK	1,429	1,473	2,902
SAME WEEK YR AGO	1,667	1,534	3,201
TO-DATE/2003	76,260	64,890	141,150
TO-DATE/2002	94,220	65,641	159,861

SOURCE: USDA/AMS PLTRY PROGRAMS, MARKET NEWS BR.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

21-NOV-2003				
CHICKEN				
PRICES (Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

PRICES (Cents per Pound)				
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	15.75-22.00	-	526,000	266,000
WTD AVERAGE	18.84			
15-20%				
RANGE	15.50-22.00	11.00-15.00	1,604,000	364,000
WTD AVERAGE	19.93	11.77		
20% OR MORE				
RANGE	-	11.00	41,000	-
WTD AVERAGE		11.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 21 NOVEMBER 2003.

The undertone was steady to barely steady on white meat, mostly steady on tom bulk parts and steady to weak on thigh meat and mechanically separated turkey (MST). The market was seasonally slow on all items. Offerings mixed. Some prompt fill-in trading was noted on Grade A 4-8 lb. breasts. For domestic: frozen -20% MST at 30 days age 10 cents shipping point, livers 17.50 delivered pet foods, frozen wing meat with skin 6 months age 65, fresh wing meat 66-68, fresh scapula 78-83, fresh ground breast trim 82 cents delivered. Frozen number 1 thigh trim traded at 43 cents delivered export.

FRIDAY, NOVEMBER 21, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	41.91	132	42.26	412
WINGS FULL-CUT - TOMS	43.00		43.00	40	43.33	60
WINGS, V-TYPE, TOM TAILS						
MECHANICALLY SEPARATED 2/	15.00-18.00		16.50	160	16.36	280
THIGH MEAT - FROZEN		T	80.10	196	80.10	196

THURSDAY, NOVEMBER 20, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	41.00-43.00		41.91	132
WINGS FULL-CUT - TOMS	44.00		44.00	20
WINGS, V-TYPE, TOM TAILS				
MECHANICALLY SEPARATED 2/		W	16.50	80
THIGH MEAT - FROZEN		T	80.10	196

WEDNESDAY, NOVEMBER 19, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	43.50		43.50	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM TAILS				
MECHANICALLY SEPARATED 2/	16.50		16.50	80
THIGH MEAT - FROZEN		T	80.10	196

TUESDAY, NOVEMBER 18, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	41.00-42.50		41.75	80
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM TAILS				
MECHANICALLY SEPARATED 2/	15.50		15.50	40
THIGH MEAT - FROZEN	76.00-87.00		80.10	196

MONDAY, NOVEMBER 17, 2003**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	40.00-45.00		42.50	160
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM TAILS				
MECHANICALLY SEPARATED 2/		W	19.75	208
THIGH MEAT - FROZEN		F	90.67	120

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

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